

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0000

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OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO INTERROGATORIES OF
THE AMERICAN BANKERS ASSOCIATION
(ABA/USPS-T5-1-3)

The United States Postal Service hereby provides responses of witness Patelunas to the following interrogatories of the American Bankers Association: ABA/USPS-T5-1-3, filed on July 16, 1996.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

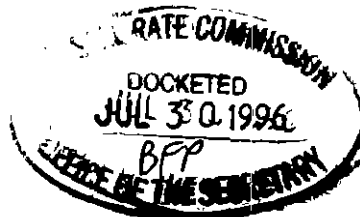
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1145
(202) 268-2990; Fax -5402
July 30, 1996



Answer of Richard Patelunas to the Interrogatories of
American Bankers Association
to United States Postal Service

ABA/USPS-T5-1.

Please refer to Appendix B of your testimony at Page 1 of 7 labeled "Cost Adjustments at Proposed PO Box Rates."

a) Please confirm that the first entry on the referenced page, labelled "FC Single Piece" reflects that 12.04% of the total First-Class single piece volume is delivered through a post office box

b) Please confirm that the second entry on the referenced page labelled "FC Presort" reflects that 8.17% of the total First-Class presort volume is delivered through a post office box.

c) What percentage of the total volume of mail delivered through post office boxes is First-Class Mail?

d) What percentage of the total volume of mail delivered through caller service is First-Class Mail?

ABA/USPS-T5-1 Response (a) and (b):

a and b) The 12.04% figure is the portion of total Origin-Destination Information System (ODIS) FC Single Piece volume delivered through post office boxes. The 8.17% figure is the portion of total Origin-Destination Information System (ODIS) FC Presort volume delivered through post office boxes. For Appendix B purposes, for each class of mail and service for which data are available, the ratio of ODIS volume delivered through post office boxes to ODIS volume in total, is applied to the appropriate mail class and service total Revenue, Pieces and Weight (RPW) volume to approximate total mail volume delivered through post office boxes.

Answer of Richard Patelunas to the Interrogatories of
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ABA/USPS-T5-1 Response continued:

c) Using the ODIS Box Section volume shown in column (1) on page 1 of 7 of Appendix B, the sum of FC Single Piece (6,439,584,780) and FC Presort (2,830,189,019), divided by the Grand Total (13,571,711,832), yields a First-Class mail proportion of 68.3%.

d) Volume, total or otherwise, for mail delivered through caller service is not available.

Answer of Richard Patelunas to the Interrogatories of
American Bankers Association
to United States Postal Service

ABA/USPS-T5-2.

a) What delivery costs are avoided when mail is delivered through post office boxes?

b) What is the total amount of delivery costs avoided by mail delivered through post office boxes?

c) Please compare the per-piece delivery costs of mail delivered through post office boxes with the per-piece delivery costs of mail delivered by other methods.

ABA/USPS-T5-2 Response:

a) Appendix B approximates the delivery costs avoided when mail is delivered through post office boxes by assuming that all direct city carrier and rural carrier delivery costs are avoided. The total Fiscal Year 1994 delivery costs are shown at column (8), page 3 of 7, Appendix B; it is the sum of City Delivery In-Office costs (column 5), City Delivery Street costs (column 6) and Rural costs (column 7).

Another underlying assumption in Appendix B is that no piggyback costs are included. In a more complete development, there would be space, rental, capital, motor vehicle, etc. costs associated with both post office box costs and delivery costs. The piggyback costs are only a small portion of the total costs involved, so they were not included in the cost reduction amounts calculated in Appendix B.

Answer of Richard Patelunas to the Interrogatories of
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ABA/USPS-T5-2 Response continued:

b) Using the Appendix B methodology and assumptions, the total amount of delivery costs avoided by mail delivered through post office boxes would be the total volume of mail by class and service multiplied by the appropriate delivery unit cost of the class or service. See Attachment I to this response.

c) Page 4 of 7 of Appendix B, column (4) compares the Fiscal Year 1994 unit cost of post office box delivery with column (5), the Fiscal Year 1994 total delivery cost. Likewise, column (6) compares the projected Fiscal Year 1996 unit cost of post office box delivery with column (7), the projected Fiscal Year 1996 total delivery cost.

Line #	CRA Line Number & Title	Total PO Box Volumes (1)	1/ Units FY 1994 Delivery Costs (2)	Avoided FY 1994 Delivery Costs (3)	3/ (3)
1	101. LETTER NP	6,630,110	0.04673	309,824	
2	LETTER 5-DIGIT				
3	LETTER C-RTE				
4	102 TOTAL PRESORT	2,901,813	0.042134	122,266	
5	103 POSTAL CARD	52,734	0.009868	520	
6	104 P-CARD NONPRSRT	308,474	0.043649	13,465	
7	P-CARD 5-DIGIT				
8	P-CARD C-RTE				
9	105. TOTAL PRST CDS	114,536	0.024936	2,856	
10	107 TOTAL FIRST	10,037,667	0.04431	444,772	
11	110. PRIORITY	60,853	0.084294	5,130	
12	111. EXPRESS	5,484	0.823364	4,515	
13	112. MAILGRAM	520	0.034519	18	
14	113. WITHIN COUNTY	98,218	0.037505	3,684	
15	118. 2ND NONPROFIT	221,408	0.04041	8,947	
16	119. CLASSROOM	7,811	0.043667	341	
17	117. 2ND REGULAR	670,694	0.046375	31,103	
18	123. TOTAL SECOND	998,131	0.044158	44,075	
19	125 3RD SINGLE PC.	19,314	0.316777	6,118	
20	REG NONPRST				
21	126 REG C-RTE	747,825			
22	REG 5-DIGIT				
23	127 TOT REG OTHER	2,853,868			
24	128. TOTAL REGULAR	3,601,693	0.036225	130,471	
25	NONPROF. NPRST				
26	131. NONPROF. C-RTE	65,011			
27	NONPROF 5-DIGIT				
28	132. TOT NP BASIC	713,099			
29	133. TOT NONPROFIT	778,110	0.02792	21,725	
30	135. TOTAL THIRD	4,399,117	0.035495	156,147	
31	136 TOT ZONE RATE	12,567	0.19516	2,453	
32	137 BND PRNT MATTER	22,761	0.089033	2,026	
33	139 SPECIAL 4TH	10,360	0.137442	1,424	
34	140 LIBRARY RATE	1,942	0.124233	241	
35	141. TOTAL FOURTH	47,630	0.128386	6,115	
36	142. USPS PENALTY	43,809	0.04752	2,082	
37	147. FREE BLIND	4,847	0.094071	456	
38	161. TOT INTERNAT'L	84,127	0.034189	2,876	
39	162 TOT ALL MAIL	15,682,185	0.041589	652,207	
40	163 REGISTRY	2,205	0.420165	926	
41	165. INSURANCE	3,138	0.161817	508	
42	164. CERTIFIED	23,441	0.577133	13,529	
43	166. COD	540	1.736368	938	
44	168. MONEY ORDERS	19,195	0.013747	264	
45	167 SPEC DELIVERY	63	0.186417	12	
46	169 STMPD ENVEL.	0			
47	170. SPEC HNDLG	0			
48	171. P O BOX	0			
49	172. OTHER	0			
50	173. TOT SPECIAL SVS	48,582	0.35599	17,295	
51	198. TOTAL	15,730,767		2,009,328	

1/ USPS-T-5, Appendix B, page 2 of 7, col (6)

2/ USPS-T-5, Appendix B, page 4 of 7, col (5)

3/ Col (1) * col (2)

Answer of Richard Patelunas to the Interrogatories of
American Bankers Association
to United States Postal Service

ABA/USPS-T5-3.

a) What delivery costs are avoided when mail is delivered through caller service?

b) What is the total amount of delivery costs avoided by mail delivered through caller service?

c) Please compare the per-piece delivery costs of mail delivered through caller service with the per-piece delivery costs of mail delivered by other methods.

ABA/USPS-T5-3 Response:


a) The same delivery costs described in response USPS-T5-2(a) are avoided when mail is delivered through caller service.

b) The total amount of delivery costs avoided by mail delivered through caller service cannot be calculated because the volume of mail delivered through caller service is not available. See response to ABA/USPS-T5-1(d)

c) The per-piece delivery costs of mail delivered through caller service are not available. See response to ABA/USPS-T5-1(d).

DECLARATION

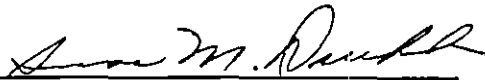
I, Richard Patelunas, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Richard Patelunas", is written over a horizontal line.

Dated: 7-30-96

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Susan M. Duchek

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Washington, D.C. 20260-1145
July 30, 1996